



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

JAN 23 2015

OFFICE OF
COMPLIANCE AND ENFORCEMENT

Reply to: OCE-084

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

EPA WARNING LETTER

Raymond Martens
Plant Manager
Pacific Klamath Energy
4940 Highway 97 South
Klamath Falls, Oregon 97603

Re: Risk Management Program Compliance Inspection
Pacific Klamath Energy
EPA Facility ID No. 1000 0017 6702

Dear Mr. Martens:

On April 24, 2014, the U.S. Environmental Protection Agency (EPA) conducted an inspection of the Pacific Klamath Energy plant, located at 4940 Highway 97 South, Klamath Falls, Oregon. The purpose of the inspection was to evaluate compliance with Section 112(r) of the Clean Air Act also known as the Risk Management Program (RMP). The RMP inspection was conducted pursuant to the authorities under Section 112(r) and Section 114 of the Clean Air Act. Listed below are the areas of concern identified by EPA:

1. **Operating Procedure requirements:** Klamath Pacific Energy operating procedures failed to address the following operating phase, specifically:
 - a. Emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner as required in 40 C.F.R. § 68.69(a)(1)(iv). Klamath Pacific Energy operating procedures did not provide a description of process hazards requiring an emergency shutdown and identify the qualified operators. This issue was identified in the Klamath Pacific Energy 2013 Compliance Audit as a finding and was not corrected.
 - b. Startup following a turnaround, or after emergency shutdown, as required under 40 C.F.R. § 68.69(a)(1)(vii). Klamath Pacific Energy operating procedures did not describe startup procedure following a turnaround. This issue was identified in the Klamath Pacific Energy 2013 Compliance Audit as a finding and was not corrected.
2. **Operating Procedure requirements:** Klamath Pacific Energy failed to annually certify that their operating procedures are current and accurate as required by 40 C.F.R. § 68.69(c). Klamath Pacific Energy provided operating procedures that were certified February 13, 2013. Klamath Pacific Energy was required to annually certify their operating procedures by February 2014.

3. **Process Safety Information requirements:** Klamath Pacific Energy failed to document the material and energy balances for processes built after June 21, 1999 as required by 40 C.F.R. § 68.65(d)(1)(vii). On October 1, 2014, Klamath Pacific Energy provided a material and energy balances for the ammonia process dated September 26, 2014.

Please provide the documentation to substantiate that the areas of concern listed above have been corrected. A copy of the documents must be sent to Javier Morales, RMP Coordinator, within 14 days of your receipt of this letter. The documents may be sent via e-mail, fax or mail.

Javier Morales, RMP Coordinator
U.S. EPA Region 10
1200 Sixth Avenue, Suite 900, OCE-084
Seattle, WA 98101
Fax: (206) 553-0124

Please refer to the document *General Risk Management Program Guidance* for additional information pertaining to the areas of concern addressed above. This guidance document can be found on EPA's website at: http://www.epa.gov/emergencies/content/rmp/rmp_guidance.htm#General

We urge you to take the steps necessary to address these concerns and to ensure that all aspects of your operation are conducted in accordance with all applicable federal, state, and local requirements. If in the future, additional violations are identified and/or corrections to the identified concerns are not made, EPA may proceed with enforcement action. If you have any questions about the inspection or the Risk Management Program, please contact Javier Morales, RMP Coordinator, at (206) 553-1255 or morales.javier@epa.gov.

Sincerely,



Kelly McFadden, Manager
Pesticides and Toxics Unit